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| | | |
|--|------------------------|-----------------|
| Application Number | 09/713,603 | |
| Filing Date | November 15, 2000 | |
| First Named Inventor | Coyle, Adam | |
| Art Unit | 3624 | |
| Examiner Name | Akers, Geoffrey R | |
| Total Number of Pages in This Submission | Attorney Docket Number | 020375-021300US |

ENCLOSURES (Check all that apply)

| | | |
|--|--|---|
| <input checked="" type="checkbox"/> Fee Transmittal Form <input type="checkbox"/> Fee Attached <input type="checkbox"/> Amendment/Reply <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> Certified Copy of Priority Document(s) <input type="checkbox"/> Response to Missing Parts/Incomplete Application <input type="checkbox"/> Response to Missing Parts under 37 CFR 1.52 or 1.53 | <input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers <input type="checkbox"/> Petition <input type="checkbox"/> Petition to Convert to a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, Number of CD(s) | <input type="checkbox"/> After Allowance Communication to Group <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input checked="" type="checkbox"/> Appeal Communication to Group (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below): Return Postcard |
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Remarks

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SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

| | | |
|--------------------|--|-----------------|
| Firm or Individual | Townsend and Townsend and Crew LLP Patrick M. Boucher | Reg. No. 44,037 |
| Signature | <i>Patrick M. Boucher</i> | |
| Date | June 27, 2003 | |

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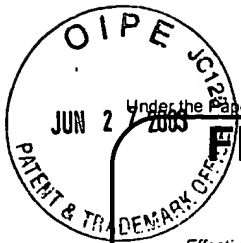
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| Typed or printed name | Nina L. McNeill | | |
| Signature | <i>Nina L. McNeill</i> | Date | June 27, 2003 |

This collection of information is required by 37 CFR 1.5. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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FEE TRANSMITTAL for FY 2003

Effective 01/01/2003. Patent fees are subject to annual revision.

☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT (\$) 320

Application Number 09/713,603
Filing Date November 15, 2000
First Named Inventor Coyle, Adam
Examiner Name Akers, Geoffrey R
Art Unit 3624
Attorney Docket No. 020375-021300US

Complete if Known

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TECHNOLOGY CENTER R3700

METHOD OF PAYMENT (check all that apply)

☐ Check ☐ Credit Card ☐ MoneyOrder ☐ Other ☐ None

☒ Deposit Account:

Deposit
Account
Number

20-1430

Deposit
Account
Name

Townsend and Townsend and Crew LLP

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☒ Charge fee(s) indicated below ☒ Credit any overpayments
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FEE CALCULATION

1. BASIC FILING FEE

| Large Entity | | Small Entity | | Fee Description | Fee Paid |
|--------------|----------|--------------|----------|------------------------|----------|
| Fee Code | Fee (\$) | Fee Code | Fee (\$) | | |
| 1001 | 750 | 2001 | 375 | Utility filing fee | |
| 1002 | 330 | 2002 | 165 | Design filing fee | |
| 1003 | 520 | 2003 | 260 | Plant filing fee | |
| 1004 | 750 | 2004 | 375 | Reissue filing fee | |
| 1005 | 160 | 2005 | 80 | Provisional filing fee | |

SUBTOTAL (1)

(\$)

2. EXTRA CLAIM FEES FOR UTILITY AND REISSUE

| Total Claims | | Extra Claims | | Fees from below | | Fee Paid |
|--------------------|--|--------------|--|-----------------|--|----------|
| | | | | | | |
| Independent Claims | | | | | | |
| Multiple Dependent | | | | | | |

| Large Entity | | Small Entity | | Fee Description |
|--------------|----------|--------------|----------|--|
| Fee Code | Fee (\$) | Fee Code | Fee (\$) | |
| 1202 | 18 | 2202 | 9 | Claims in excess of 20 |
| 1201 | 84 | 2201 | 42 | Independent claims in excess of 3 |
| 1203 | 280 | 2203 | 140 | Multiple dependent claim, if not paid |
| 1204 | 84 | 2204 | 42 | ** Reissue independent claims over original patent |
| 1205 | 18 | 2205 | 9 | ** Reissue claims in excess of 20 and over original patent |

SUBTOTAL (2)

(\$)

**or number previously paid, if greater; For Reissues, see above

FEE CALCULATION (continued)

3. ADDITIONAL FEES

| Large Entity | | Small Entity | | Fee Description | Fee Paid |
|--------------|----------|--------------|----------|--|----------|
| Fee Code | Fee (\$) | Fee Code | Fee (\$) | | |
| 1051 | 130 | 2051 | 65 | Surcharge - late filing fee or oath | |
| 1052 | 50 | 2052 | 25 | Surcharge - late provisional filing fee or cover sheet. | |
| 1053 | 130 | 1053 | 130 | Non-English specification | |
| 1812 | 2,520 | 1812 | 2,520 | For filing a request for reexamination | |
| 1804 | 920* | 1804 | 920* | Requesting publication of SIR prior to Examiner action | |
| 1805 | 1,840* | 1805 | 1,840* | Requesting publication of SIR after Examiner action | |
| 1251 | 110 | 2251 | 55 | Extension for reply within first month | |
| 1252 | 410 | 2252 | 205 | Extension for reply within second month | |
| 1253 | 930 | 2253 | 465 | Extension for reply within third month | |
| 1254 | 1,450 | 2254 | 725 | Extension for reply within fourth month | |
| 1255 | 1,970 | 2255 | 985 | Extension for reply within fifth month | |
| 1401 | 320 | 2401 | 160 | Notice of Appeal | 320 |
| 1402 | 320 | 2402 | 160 | Filing a brief in support of an appeal | |
| 1403 | 280 | 2403 | 140 | Request for oral hearing | |
| 1451 | 1,510 | 1451 | 1,510 | Petition to institute a public use proceeding | |
| 1452 | 110 | 2452 | 55 | Petition to revive - unavoidable | |
| 1453 | 1,300 | 2453 | 650 | Petition to revive - unintentional | |
| 1501 | 1,300 | 2501 | 650 | Utility issue fee (or reissue) | |
| 1502 | 470 | 2502 | 235 | Design issue fee | |
| 1503 | 630 | 2503 | 315 | Plant issue fee | |
| 1460 | 130 | 1460 | 130 | Petitions to the Commissioner | |
| 1807 | 50 | 1807 | 50 | Petitions related to provisional applications | |
| 1806 | 180 | 1806 | 180 | Submission of Information Disclosure Stmt | |
| 8021 | 40 | 8021 | 40 | Recording each patent assignment per property (times number of properties) | |
| 1809 | 750 | 2809 | 375 | Filing a submission after final rejection (37 CFR § 1.129(a)) | |
| 1810 | 750 | 2810 | 375 | For each additional invention to be examined (37 CFR § 1.129(b)) | |
| 1801 | 750 | 2801 | 375 | Request for Continued Examination (RCE) | |
| 1802 | 900 | 1802 | 900 | Request for expedited examination of a design application | |

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*Reduced by Basic Filing Fee Paid SUBTOTAL (3)

(\$)320

SUBMITTED BY

Complete (if applicable)

Name (Print/Type) Patrick M. Boucher Registration No. (Attorney/Agent) 44,037 Telephone 303-571-4000
Signature *Patrick M. Boucher* Date June 27, 2003

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By

Ann L. McNeill

Attorney Docket No.: 020375-021300US

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TECHNOLOGY CENTER R3700

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Adam Coyle

Application No.: 09/713,603

Filed: November 15, 2000

For: RELOADABLE DEBIT CARD
SYSTEM AND METHOD

Examiner: Akers, Geoffrey R

Technology Center/Art Unit: 3624

APPELLANT BRIEF UNDER 37 CFR
§1.192

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Appellant offers this Brief further to the Notice of Appeal mailed on May 1, 2003.
This Brief is submitted in triplicate as required by 37 CFR §1.192(a).

1. Real Party in Interest

The real party in interest is First Data Corporation.

2. Related Appeals and Interferences

No other appeals or interferences are known that will directly affect, are directly affected by, or have a bearing on the Board decision in this appeal.

3. Status of Claims

Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are currently pending in the application. All pending claims stand finally rejected pursuant to an Office Action mailed February 4, 2003 (paper no. 8, hereinafter “the Final Office Action”). Original Claims 2, 4, 13, and 20 were canceled; original Claims 1, 3, 5 – 12, and 14 – 19 were amended; and new Claims 21 – 23 were added by an Amendment filed January 10, 2003.

The rejections of pending Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are believed to be improper and are the subject of this appeal. Each of these claims has been finally rejected. A copy of the claims as rejected is attached as an Appendix.

4. Status of Amendments

No amendments have been filed subsequent to the final rejection mailed February 4, 2003.

5. Summary of the Invention

In one embodiment, the invention relates to methods and systems using stored-value cards, which may be used in transactions for the purchase of goods and/or services, and which may be reloaded with value (Application, p. 3, ll. 10 – 11). One concern that has traditionally existed with all types transaction systems is the need to address the potential for theft by providing some type of security mechanism. In the context of traditional credit cards, there are various mechanisms in place to ensure proper cardholder identification, with the system

structured so that a cardholder is exposed only to minimal or no liability in the event the card is stolen and misused (*id.*, p. 1, ll. 13 – 16).

Such security has traditionally not been available for stored-value or prepaid cards (sometimes referred to in the application as “debit cards,” *id.*, p. 2, l. 13). In particular, such cards have traditionally been equipped in one of two ways. A first type of card is exemplified by the paradigm of prepaid telephone cards in which the use of value associated with the card is limited, such as to purchasing telephone time (*id.*, p. 2, l. 10 – 12). One problem with such cards is that the restrictions prevent unused value in the card from being recovered so it is effectively wasted if the cardholder chooses no longer to use the card. The other type of card is exemplified by a cash card that allows cash to be obtained from prefunded accounts (*id.*, p. 2, ll. 14 – 19). While it is possible to redeem unused value from such cards in the form of cash, such redemption can be performed by any party, including a thief of the card.

Embodiments of the invention overcome this deficiency in the prior art by providing stored-value cards that simultaneously prevent theft of the stored value but also permit its redemption by a legitimate party. In particular, a mechanism is provided by which a balance of a subaccount associated with a card may be redeemed in the form of a negotiable instrument payable to a holder of the subaccount (*id.*, p. 10, ll. 10 – 12). By limiting payment in this form, particularly to a holder of the subaccount, theft is deterred since a thief of the card could, at best, only acquire a negotiable instrument payable to a legitimate party and could not himself redeem the value for cash (*id.*, p. 7, ll. 17 – 18).

An arrangement that uses such stored-value cards is provided so that they may be used in commercial transactions. For example, a card-issuing institution may associate each of the cards it issues with one of multiple subaccounts, and then provide the cards for sale to individual customers who become the holders of respective subaccounts (*id.*, p. 6, l. 18 – p. 7, l. 2). Each card includes an identifier for its subaccount, perhaps covered with a concealing strip (*id.*, p. 7, ll. 4 – 5), and perhaps encoded on a magnetic strip (*id.*, p. 7, l. 8) so that it can be read and its associated value reduce in accordance with a purchase cost when the card is presented during a transaction (*id.*, p. 7, ll. 8 – 13). In some instances, the value may be reloaded by the subaccount holder by adding to its incremental value when the subaccount holder provides

additional funds to be allocated to the subaccount during a transaction (*id.*, p. 10, ll. 7 – 8). When the subaccount holder wishes to redeem unused value, the card is presented and the value is provided in the form of a negotiable instrument, such as a money order, cashier's check, etc. specifically payable to the subaccount holder. This instrument may then be used by the subaccount holder to convert that value to cash (*id.*, p. 10, ll. 10 – 13).

6. Issue

Whether under 35 U.S.C. §103(a) Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are unpatentable over U.S. Pat. No. 6,434,238 (“Chaum”) in view of U.S. Pat. No. 6,000,608 (“Dorf”) and U.S. Pat. No. 6,108,641 (“Kenna”). Section 6 of the Final Office Action describes the Examiner's position on this issue.¹

7. Grouping of the Claims

For purposes of this appeal, all the pending claims, i.e. Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 are considered as a single group.

Appellant reserves the right outside the context of this appeal to argue independent patentability of the grouped claims.

8. Argument

All of the claims stand rejected under 35 U.S.C. §103(a) as unpatentable over Chaum in view of Dorf and Kenna. For a rejection to be maintained under 35 U.S.C. §103, the Examiner is charged with factually supporting a *prima facie* case of obviousness. Manual of Patent Examining Procedure, Eighth Edition, First Revision, February, 2003 (hereinafter

¹ Section 6 of the Final Office Action also makes reference to “Atkins,” which the Examiner clarified in a telephone conversation was an erroneous citation.

“MPEP”) 2142. Such a *prima facie* case requires, *inter alia*, that all limitations of the claims be taught or suggested by the cited reference(s) and that there be some suggestion or motivation to combine or modify the reference teachings as the Examiner proposes. MPEP 2143. The rejections are deficient in at least both these respects.

The two pending independent claims, i.e. Claims 1 and 10, respectively recite a stored-value card system and a method of purchasing goods and services in transactions utilizing value-added cards. Both independent claims recite, in somewhat different form, limitations that require redeeming a balance of a subaccount associated with a card in the form of a negotiable instrument payable to a holder of the sub-account. This limitation is not taught or suggested by any of the references relied on in the Final Office Action.

Chaum is directed to a system that uses “smart” cards, i.e. cards having embedded chips, that may be used in credit or debit transactions (*e.g.*, Chaum, Col. 5, ll. 10 – 47). Dorf is directed to a card system that may be used for different types of transactions, including as a prepaid phone card, a debit card, a loyalty card, and a medical information card (*e.g.*, Dorf, abstract). That neither of these references teaches or suggests a reloadable prepaid card whose balance may be redeemed in the form of a negotiable instrument is not in dispute. The Examiner’s initial position that a money order is merely one of any type of goods/services that may be purchased with a card (*see* First Office Action mailed October 29, 2002, p. 2) has implicitly been recanted by the current reliance on Kenna for that limitation. Not only do Chaum and Dorf both fail to make any explicit disclosure of the purchase of a negotiable instrument, but there is certainly nothing in them to require that it be payable to the subaccount holder, an aspect of the claim limitations that have significant advantages as discussed above.

Kenna also fails to disclose this limitation. Kenna is directed to a financial system that manages a plurality of subaccounts, at least one of which is a medical savings account (Kenna, Col. 3, ll. 53 – 56). In referring to Kenna, the Final Office Action points to a number of figures and the following passages, notably none of which disclose redeeming a balance of a subaccount associated with a card in the form of a negotiable instrument payable to a holder of the sub-account:

First, briefly, the multiple subaccount section of the present invention is directed to a data processing system for managing a plurality of composite accounts for financial cash management, wherein each composite account has a master account and at least one subaccount that allows an individual to establish and manage their (and the household's) complete portfolio of cash assets with one concise, cost effective account. For an individual, this system, described more fully below, has a single master account, with a variety of subaccounts directed to a specific goal such as monthly household expenses, long term investment strategies and other financial goals. The database management system has a central processing unit ("CPU") for information such as name, address and account information for each individual, with a data processing system, known as the Link System to recognize that an account (either a master account or a subaccount) is part of the composite account for the individual, a data processing means for receiving an individual's request on either a real time or periodic basis for the transfer of funds between the linked accounts and means for generating, displaying and outputting reports.
(Kenna, Col. 4, l. 63 – Col. 5, l. 18).

The above-described composite account arrangement has thus been shown to provide an improved securities brokerage/cash management system which supervises and integrates a brokerage account in which a Master Account with one or more linked subaccounts is used to manage an individuals [*sic*] funds which accounts (master and subaccounts) can transfer funds to and from, providing greater flexibility for the individual, while providing earned income for funds not invested or required to satisfy expenditures.
(*Id.*, Col. 8, ll. 35 – 43).

Indeed, these cited excerpts merely describe a sub-account structure used by Kenna and the ability to transfer funds within that subaccount structure. They disclose neither the association of the sub-accounts with cards nor the redemption of balances within the sub-accounts in the form of negotiable instruments.

The Examiner even also appears to concede that there is no explicit disclosure of this limitation in Kenna with his remark that the subaccounts taught by Kenna "may" deliver negotiable instruments:

Kenna teaches an integrated nested account financial system with subaccounts including those for investments which may deliver negotiable instruments (retirement accounts, financial accounts) to the subaccount holder ...
(Office Action, p. 3).

In a response to the Final Office Action that was refused entry,² it was noted that in light of the Examiner's concession that there is no explicit teaching of the claim limitation in Kenna, it

² The response to the Final Office Action was refused entry on the basis that "[i]t does not add materially to applicant's original argument." Appellant fails to understand this basis for refusing entry of the response since it primarily addressed the disclosures of Kenna, a reference that had only newly been cited, had not previously been

appeared that inherency was being relied upon. Such reliance was traversed and Appellant now reiterates that inherency requires not merely that a certain result or characteristic “may” occur or be present in the prior art, but instead that it must “necessarily be present in the thing described in the reference.” MPEP 2112, *citing In re Robertson*, 49 USPQ2d 1949, 1950–51 (Fed. Cir. 1999). There is nothing whatsoever in Kenna to indicate that a balance of its subaccounts must be redeemed in the form of a negotiable instrument payable to a holder of the sub-account. Since this limitation is not disclosed explicitly or inherently, no *prima facie* case has been established.

In addition, there is no suggestion or motivation to combine the reference teachings. Such a suggestion or motivation must be found “either in the references themselves or in the knowledge generally available to one of ordinary skill in the art.” MPEP 2142. The Final Office Action cites the following language as providing a motivation to combine Chaum and Dorf with Kenna (Final Office Action, pp. 3 – 4):

It is an object of the present invention to provide an improved brokerage/cash management system. It is another object of the present invention to enable individuals to easily and cost effectively manage their assets and have a concise, clear understanding of the value of their assets. It is a further object of the present invention to enable an individual to delineate short and long term assets into a composite account with a single master account and a number of subaccounts which are linked with the composite account. It is another feature of the present invention to allow individuals in the same household or family to create a single composite account for all their funds.
(Kenna, Col. 3, ll. 31 – 42).

The Examiner’s reliance on this passage as providing a motivation to combine the teachings of Kenna with those of Chaum and Dorf is completely misplaced. In fact, while Chaum and Dorf are both concerned with card systems, the cited passage emphasizes that Kenna has nothing to do with such systems — it is instead concerned with providing a household cash-management system. Rather than show a motivation to combine, the cited passage does precisely the opposite by emphasizing objectives that are completely different from those of Chaum and Dorf.


considered during the prosecution of the application, and was certainly not addressed in any original argument presented by Appellant.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,


Patrick M. Boucher
Reg. No. 44,037

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DE 7107297 v1

APPENDIX

The claims pending in the application are as follows:

1. (Previously Amended) A stored-value card system, which comprises:
a card issued by a card issuing institution;
a card identifier associated with said card and assigned thereto by the issuing institution;
a reloadable value associated with said card and credited to the card by the issuing institution; and
a sub-account associated with said card and identified by the card identifier, said card being usable for:
making a purchase by presenting said card at a point-of-sale establishment and debiting a cost of the purchase from the said sub-account; and
redeeming a balance of the sub-account in the form of a negotiable instrument payable to a holder of the sub-account.
2. (Canceled).
3. (Previously Amended) The system according to claim 1 wherein said negotiable instrument comprises a money order.
4. (Canceled).
5. (Previously Amended) The system according to claim 1 wherein said card values are not redeemable for cash.

6. (Previously Amended) The system according to claim 1 wherein the card identifier is printed on the card and selectively concealed by a removable concealing strip attached to the card.

7. (Previously Amended) The system according to claim 1 wherein said card includes a magnetic strip, the card identifier being encoded on the magnetic strip.

8. (Previously Amended) The system according to claim 1 wherein said card identifier is adapted to be read by a reader at the point-of-sale retail establishment.

9. (Previously Amended) The system according to claim 1 wherein said reader is in communication with a network comprising multiple point-of-sale establishments which accept said card for the purchase of goods and services.

10. (Previously Amended) A method of purchasing goods and services in transactions utilizing value-added cards, which method comprises the steps of:

issuing a plurality of said cards to a point-of-sale retail establishment;

pre-assigning sub-account identifiers to said cards;

crediting the sub-accounts associated with said cards with initial reloadable values;

debiting a respective sub-account in response to a purchase made with a respective one of said cards at a merchant; and

issuing an instruction to generate a negotiable instrument payable of a balance of the respective sub-account to a holder of the respective sub-account in response to a request to redeem the respective one of the cards by said holder.

11. (Previously Amended) The method of claim 10, which includes the additional step of reloading said respective one of the cards in response to a purchase of additional values by said holder, by crediting said respective sub-account.

12. (Previously Amended) The method according to claim 11, wherein said initial reloadable values correspond to predetermined amounts.

13. (Canceled).

14. (Previously Amended) The method of claim 10, wherein the negotiable instrument comprises a money order.

15. (Previously Amended) The method according to claim 10, wherein the respective one of said cards includes a numerical identifier corresponding to said respective sub-account.

16. (Previously Amended) The method according to claim 10, wherein the numerical identifier is concealed prior to delivery of the respective one of the cards to said holder.

17. (Previously Amended) The method of claim 10, which includes the additional steps of:

receiving a transaction authorization request, including an amount of a transaction and the sub-account identifier corresponding to the respective sub-account; and
authorizing the transaction if sufficient funds are available in the respective sub-account.

18. (Previously Amended) The method of claim 17, wherein the transaction authorization request was generated by a first computational device at the merchant and received by a second computational device linked to the first computational device.

19. (Previously Amended) The method of claim 10, wherein the respective one of said cards includes a magnetic strip for encoding the sub-account identifier for the respective sub-account.

20. (Canceled)

21. (Previously added) The method according to claim 11, wherein said additional values correspond to predetermined incremental amounts.

22. (Previously added) The method of claim 19, which includes the additional steps of:

receiving a transaction authorization request, including an amount of a transaction and the sub-account identifier; and
authorizing the transaction if sufficient funds are available in the respective sub-account.

23. (Previously added) The method of claim 22, wherein the transaction authorization request was generated by a first computational device adapted to read the sub-account identifier from the magnetic strip, and received by a second computational device linked to the first computational device.